

THE UNIVERSITY OF JORDAN

# JORDAN TIMES

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## Water returns home

AMMAN, June 26 (AFP). — South African Prime Minister John Vorster and Foreign Minister P. W. Botha returned here today from talks in Washington with U.S. Secretary of State and Vice President Hubert H. Humphrey. Vorster commented to newsmen that he was not cancelled the visit. He said the talks "went well" despite events that had adverse effects, the premier said, on last week's bloody violence in the townships of Johannesburg and Pretoria. Vorster would give no details of his talks.

## political art Rico summit

AMMAN, June 26 (AFP). — Heads of government and heads of state from the Caribbean met here today for an economic summit, charting a sound course for the region's recovery from the recession.

The first to arrive was Prime Minister of Guyana, Forbes Burnham, who said the summit would chart a course for the region's recovery from the recession.

One of the talks in the summit was on the recovery from the recession in the Caribbean.

in San Juan, the Caribbean summit was held at the Dorado Beach resort.

The arrival later today of the Caribbean summit was held at the Dorado Beach resort.

nt Valery Giscard d'Estaing arrived here hours before the start of the summit.

each meetings, a summit conference was held in Rambouillet, France, on ways to achieve expansion in the world.



BELGRADE TALKS — President Assad (left) and Yugoslav President Tito meet in Belgrade Friday.

## Assad: We'll leave Lebanon when asked to do so

BELGRADE, June 26 (Agencies). — Syria said today that its troops saved the lives of thousands of women and children in Lebanon, and indicated that Syrian forces would stay there until asked by the Lebanese government to leave. President Hafez Assad told a news conference: "The withdrawal of our troops from Lebanon depends on the wish of the legitimate institutions in Lebanon, because the presence of these troops was in response to the wish of those institutions."

He added: "We are ready and willing to continue this sacrifice as long as it is in response to the wish of the Lebanese."

The Syrian president said that in talks with President Tito "we reached agreement on all the matters we discussed."

Official sources said the agenda covered Lebanon and other Middle East issues.

President Assad also had talks today with Yugoslav Prime Minister Dzemal Bijedic about international issues and bilateral cooperation, official sources said.

Special attention was paid to preparations for the fifth non-aligned summit in Colombo next August, and to the situation in Lebanon, the sources said.

The two sides were also having detailed talks on bilateral ties on the ministerial level, the sources added.

Presidents Tito and Assad had earlier held a second session of the talks they began after the Syrian leader arrived yesterday from Damascus. The two-day official visit was delayed from last week.

Yugoslav Foreign Secretary Milos Minic told reporters the two presidents agreed that action by the Arab League "is the only action which has chances of reaching a solution."

Both presidents stressed that any attempt at intervention by any non-Arab country in Lebanon would lead to a dramatic situation there, and that Yugoslavia and Syria would work to prevent it from happening, according to Mr. Minic.

President Assad later arrived in Bucharest from Yugoslavia to begin an official visit to Romania.

President Nicolae Ceausescu was at the airport to meet the Syrian leader.

The trip of President Assad was to have taken place a week earlier. Arab sources said it was postponed because Mr. Yasser Arafat, leader of the Palestine Liberation Organisation (PLO), told Marshal Tito in a message that it was ill-timed in view of the Syrian intervention in Lebanon.

President Tito warned President Assad last night that if Arabs did not stop fighting one another in Lebanon, other Middle Eastern countries would be endangered.

President Tito did not specifically criticise the Syrian intervention, but said the Lebanese crisis could not be solved without agreement between Syria, the Palestinian movement and Egypt.

President Tito made the statement at a banquet in honour of President Assad.

President Assad replied that Syria would spare no effort to restore peace to Lebanon and preserve its independence and territorial integrity.

## Morbid pattern of left-right fighting resumes in Beirut

BEIRUT, June 26 (Agencies). — late yesterday that they had not yet pulled back to the mountains and south-east of here. Fighting in Beirut, its suburbs and the Lebanese mountains yesterday left 139 people dead and 253 wounded, it was reported here today.

The figures did not include casualties in the four-day battle near the Tel Al Zaatar camp.

Military experts said some 10,000 shells had been fired there, and that the death toll was likely to be high.

The Voice of Palestine Radio said Syrian forces withdrawing under the agreement concluded last week by Libyan Premier Abdul Salam Jalloud had halted their pullback near Sidon.

The Syrians, part of the 13,000-strong intervention and peace-making force which came here earlier this month, maintained that 10 of their men were still being held captive by the Palestinians in Sidon, the radio explained.

Pro-leftist Beirut Radio said attempts were being made to bring about a ceasefire in the Tel Al Zaatar battle, to prevent another overall outbreak of fighting.

The Phalangist radio said right-wing leaders, meeting at outgoing President Suleiman Franjeh's emergency headquarters in Kfour, were preparing to take action to unfreeze the situation.

It said it had become frozen because of the Riyadh meeting of the Syrian and Egyptian premiers.

The Phalangists said a planned meeting between Major Jalloud and President-elect Elias Sarkis had to be put off for a second time because of the danger of travel in Beirut.

The rightwing radio said the Libanese leader received a cable from Syria stating its intention to withdraw some of its forces from the Sidon area and the mountain top resort of Sofar.

In Khartoum, the chief of staff of Sudan's armed forces said today that the first Sudanese troops to join the peace-keeping force had left there on Friday for Lebanon.

The Phalangists today threatened to try to close down Beirut International Airport if a series of conditions are not met, Beirut newspapers said today.

The airport, which was only reopened three days ago after being

shut down because of the civil war, is situated in leftist-held territory south of Beirut.

Newspapers quoted a communiqué issued by the Phalangist Party War Council saying that if the conditions were not met within five days from yesterday the council "will be forced to disrupt the use of the airport by all means it sees fit."

The statement did not elaborate, but the airport is well within the range of rightwing artillery.

The statement said roads to the airport should be open and free of roadblocks and armed men, so that all Lebanese can use it.

At present it is virtually impossible for people living in the Christian areas of Lebanon to reach the airport because of heavy fighting between left and rightwing forces.

The statement added that the airport should be run by an all-party committee under the chairmanship of a person appointed by Arab League Secretary General Mahmoud Riad, in agreement with the "legal authorities of Lebanon."

Airport security is now in the hands of Libyan and Syrian peace-keeping troops who arrived at the airport earlier this week.

President Franjeh has meanwhile called on American citizens of Lebanese origin to make themselves heard in the forthcoming U.S. elections in support of the candidate "who will side with the Lebanese people."

In a call on his loyalist radio addressed to Lebanese emigrants attending a general congress which opened yesterday at Quito, Ecuador, President Franjeh said: "Work to bring the candidate to power who will be inspired by the

(Continued on page 6)

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(Continued on page 6)

## Hussein, Alya arrive in Sochi

MOSCOW, June 26 (Agencies). — His Majesty King Hussein and Her Majesty Queen Alya arrived Saturday at the resort city of Sochi, on the Black Sea, coming from Leningrad, in the course of their current visit to the Soviet Union.

It is widely expected that King Hussein will meet with Communist Party Secretary General Leonid Brezhnev during his stay in Sochi.

Earlier, the governor of Leningrad held a dinner banquet in honour of the King and Queen on Friday night.

In remarks at the banquet, King Hussein praised the existing relations between the Arab countries and the Soviet Union. He also praised the unlimited Soviet support for the just Arab cause against imperialism and Zionism.

King Hussein further praised the courageous stand of Leningrad's citizens in defending their city, and said: "they taught the whole world what the love of land and country mean."

## For African liberation

## Ministers call for "armed struggle"

AMMAN, June 26 (AFP). — The Organisation for African Unity (OAU) today had a session calling for an armed struggle in the wake of the 176th anniversary of the slave trade.

The OAU spokesman said the resolution affirmed that "the only effective guarantee for the African people of South Africa against the repetition of the massacres is through the unleashing of the armed struggle."

It resolved to extend maximum political, economic and military assistance to the two banned liberation movements — the Pan African Congress and the African National Congress — to enable them to "execute the armed struggle."

Mr. Onu said 20 delegates had already taken the floor over the Soweto issue and that another 10 were also down to speak on the matter.

Mr. Onu said the conference was "not surprised that the massacres were carried out soon after the U.S. Secretary of State Kissinger's African safari tour and the visit of John Vorster to Israel."

He said the closed session "condemned in the strongest terms the recent massacres by the fascist regime of the population of South Africa."

The delegates decided on a four-pronged course of action.

— isolation of South Africa through economic and other boycotts;

— concerted political and diplomatic action by the OAU against South Africa;

— increased support to liberation movements in South Africa, Namibia (South-West Africa) and Zimbabwe (Rhodesia); and

— establishment of a committee to work out concrete steps to deal with the problem of South Africa.

There was continuing discussion (Continued on page 6)

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— establishment of a committee to work out concrete steps to deal with the problem of South Africa.

There was continuing discussion (Continued on page 6)

LISBON, June 26 (AFP). — The Portuguese people are to freely elect a president tomorrow for the first time in 50 years, after a presidential campaign that has aroused little public enthusiasm.

Four candidates remained in the running this weekend, one of them, Premier Jose Pinheiro de Azevedo, in serious condition in an Oporto hospital after suffering a heart attack while campaigning there on Wednesday.

Since Admiral Azevedo was unable to withdraw from the election by the deadline of midnight Thursday, he stays on the ballot and only his death can stop the election. If he should win it — a possibility that most observers regard as remote — the Council of the Revolution would be called upon to rule on his capacity to govern.

But the strong favourite to win the election and succeed President Francisco de Costa Gomes is Army Chief-of-Staff General Antonio Ramalho Eanes.

Gen. Eanes 41, has won the support of the three leading Portuguese political parties, the Socialist Party, the Popular Democratic Party (PPD) and the Democratic and Social Centre (CDS).

Together, the three groups polled more than 75 per cent of all votes cast in the last election held in Portugal in April.

Because of his strong base of support, which also includes that of two Maoist groups, Gen. Eanes has presented himself as "the Candidate of Portugal" in campaigning.

Adm. Azevedo, 59, who has been premier since September 1975, ran without the support of any political party, describing himself as "an outsider like Jimmy Carter," who is expected to win the presidential nomination of the U.S. Democratic Party. The premier's campaign slogan has been: "Forward with the Fearless Admiral."

The two other candidates fighting for the votes of over 6 million Portuguese are Major Otelo Saraiva de Carvalho, 40, who became a legend following the 1974 revolution, and Octavio Pato, 51, official candidate of the Portuguese Communist Party and the sole civilian in the race.

Prime Minister Azevedo seems out of danger and can resume his political activities, provided he takes special health precautions, his doctors said today.

They warned, however, that for the next three weeks there would be a risk of a relapse. But after that period, Admiral Pinheiro de Azevedo could leave hospital and begin three or four months' convalescence.

Major Carvalho, former leader of the Copcon security force, has

## First free poll in 50 years

## General Eanes is favourite to win today's Portuguese presidential election



LAST RALLY — Leftist candidate Otelo Carvalho addresses tens of thousands of supporters in downtown Lisbon in his closing campaign rally Friday night. (AP wirephoto).

won enthusiastic support from leftist movements and workers' and neighbourhood commissions. His slogan has been: "Otelo: a friend in the presidency."

Mr. Pato, number two to Agvario Cunha in the Portuguese Communist Party, spent years in prison under the Portuguese dictatorship. Communists, who won 14.35 per cent in the last election, have backed him with the slogan "A vote for Pato is a Useful Vote."

The winner of the election will be Portugal's president for five

with the authorisation of the Council of the Revolution.

That group, the final outlet of expression of the once-powerful Armed Forces Movement, will continue to exist alongside Portugal's democratic institutions for at least four years. The constitution describes the Council of the Revolution as the "Guarantor of these institutions, the constitution and the spirit of the revolution of April 25, 1974."

Most of the Portuguese population will be voting tomorrow only for a president. But the 300,000 voters of the islands of the Azores and Madeira will also elect for the first time their own representatives to regional assemblies as part of a provisional statute on autonomy.

The residents of Madeira will choose 41 deputies, a majority of whom are expected to belong to the PPD. On April 25 that party won an absolute majority of Madeira's votes, sending four representatives to Lisbon against one for the Socialist Party and one for the CDS.

In the Azores, 163,000 registered voters will elect 43 regional deputies. Only the PPD and socialist parties have put forward candidates in all races. In the April election the PPD had four candidates elected to the national assembly, the Socialist Party, two,

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Board of Directors:

Juma'a Hamad, Suleiman Arar,

Mohamad Amad, Mahmoud Al Kayed

Responsible Editor: Managing Editor: Associate Editor:  
Mohamad Amad Rami G. Khouri Jenab Tutunji

Editorial and Advertising Offices:

JORDAN PRESS FOUNDATION

University Road - P.O. Box 6710 - Amman, Jordan

Tel. 67171/2/3/4 - Cables: JORTIMES - Telex: 1497 (Al Rai)

## Barbarism

The Lebanese Phalangists' threat to close down Beirut airport comes as a peculiarly grotesque gesture at a time when Lebanon can use something a bit more rational and constructive in the way of initiatives from its warring factions. Very much as Beirut's airport had always been something of a symbol of Lebanon's special role in the Arab World, today, in the country's darkest days, the airport remains a symbol, but one of a very different sort. Having re-opened several days ago, the airport today is the symbol of escape to a people whose hopes of staying alive very much depend on open escape routes.

For the Phalangists to threaten to close the airport down, while their rightwing allies in Lebanon are systematically and in a rather barbarian manner carrying out a major offensive against the two Palestinian camps of Tel Al Zaatar and Jisr Al Basha, will likely be recorded by history as an example of the depths of inhumanity to which unprincipled people will stoop.

We are appalled and disgusted by this latest show of savagery, but we are more disappointed by the continuing lassitude of the Arab League and the Arab nation in the face of yet another effort by the heavily armed forces of regression to strike against the Palestinians in Lebanon. The process takes on an even greater aura of madness when one sees it taking place while the U.N. Security Council is simultaneously debating a report on how to implement the national rights of the Palestinians.

We have not subscribed to the theory of conspiracies against the Palestinians, but we perceive in this week's events a baffling uniformity of inaction and inattention. If the rest of the Arab World is not directly hurt by what is happening in Beirut this week, we think the balance sheet of history shall not fail to record what has taken place these past several days, and more specifically, what has not taken place in the realm of pan-Arab peace initiatives in Lebanon. If all the peace-making efforts of the past few months have now been blunted, that is ever more reason to try twice as hard and twice as fast.

## ARAB PRESS COMMENTARY

Al Dustour Saturday editorially expatiated on the Moroccan foreign minister Ahmed Laraki's call to the Organisation of African Unity meeting in Port Louis, Mauritius, to supply South Africans with arms and men in their fight against the white regime in their country.

The paper says if the Moroccan suggestion won support, it would carry the organisation to an armed action position for the first time since its inception.

Al Dustour thinks the entry of the OAU into battle with the South African regime would provoke wide repercussions in the continent, the Arab homeland and the world at large, and would have resounding effects on all levels. It will mean, on the one hand, that the Africans are able to do something for the liberation of their continent that goes beyond their expressed sympathies with their freedom fighter brothers in South Africa. On the other hand, it will indicate that it is not the big powers alone which possess the freedom of action in the continent.

Al Dustour predicts that forces supporting racist regimes in the world might be tempted to come to the aid of their South African protegee regime if and when it is confronted militarily by the OAU. The paper thinks strongly that such involvement on the part of these forces will not succeed in turning back the wheels of history, but rather will expose them and weaken their position in the continent.

"The Angolan lesson should remind those who imagine that the weapon of oppression and tyranny was still operational in dealing with the people of Africa," the paper says.

Al Shaab Saturday hailed the results of the four-nation Riyadh meeting which dispelled differences marring relations between Syria and Egypt.

Such Arab disagreements, however wide in magnitude, are dwarfed by the main contradiction between Arab existence in the present and the future and the Zionist movement.

"It is a self-evident truth to say that Arab solidarity, in its national conception, is the way of our nation to face the Zionist invasion and its supporters in an effective manner that can achieve victory," the paper opined.

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Att. Directorate of Industrial Relations.

## Bright future lies ahead for pharmaceutical industry in Jordan

By Lina Gress

Special to the Jordan Times

It is expected that Jordan will qualify itself to be, within the next ten years, the centre for research in pharmaceutical and related industries in the Middle East.

This comes within the framework of the Arab Pharmaceutical Manufacturing Company's future plans, which were outlined in the Seminar on Pharmaceutical Industry in Jordan that ended its sessions on Thursday.

Contrary to feasibility studies which in 1964 questioned the viability of establishing the Arab Pharmaceutical Manufacturing Company, Mr. Amin Shoaib said, the project was first founded as a private company with limited liabilities and a nominal capital which was raised from JD100,000 to JD 2 million.

The Jordanian Government owns 16.5 per cent of the shares while the rest are owned by Jordanian and Arab individuals where each cannot have more than 1.2 per cent of the total shares.

Manpower has increased to 260 employees of whom 10 per cent are university graduates, and despite automation there will be 600 employees by 1985.

The sales picture is very encouraging and has jumped from JD 89,992 in 1967 to JD 1,933,812 in 1975.

The total company's contribution to the Jordanian balance of payments has been JD 3,600,000.

For the future planned period of the factory that ends in 1985, Mr. Anis Muasher, member of the Board of Directors and president of the seminar emphasized that the Arab Pharmaceutical Manufacturing Co. will expand to include: pharmaceuticals for human use which will encompass 47 new groups, veterinary products, household disinfectants and insecticides, cosmetic preparations, pharmaceutical chemicals and agrochemicals. To meet this expansion, Mr. Muasher said that 135,000 square metres of land are being purchased by the company in the new industrial area of Al Salt.

Mr. Muasher further said that production capacities in pharmaceuticals are expected to be by 1985: 5 billion tablets, 5 million liquids, 400 million capsules, 50 million suppositories, 30 million ampoules, 2 million tubes of ointments and creams and 400 thousand litres of intravenous fluids.

Mr. Muasher explained that Jordan, due to its strategic geographic position, political stability, socio-economic and infrastructure advantages is a good choice for investment and cooperation in the pharmaceutical industry.

The cost and freight market for human pharmaceuticals by 1985 would be 2 billion dollars; while the methods of cooperation with international firms would take the form of joint ventures, licence agreement and toll manufacturing whereby the Arab Pharmaceutical Manufacturing Company will play the role of manufacturer and the foreign firms will take over the marketing and distribution, Mr. Muasher concluded.

Outlining the overall results of the seminar, the Managing Director of the Arab Manufacturing Co.

Dr. Subhi Tieby said: The seminar has introduced the Jordanian Pharmaceutical Industry to international counterparts as an industry that keeps to the quality of international standards. The methods of manufacturing, quality control and mechanisation were highly admired by delegates.

Dr. Tieby added that the seminar also paved the way for future cooperation between the Arab Pharmaceutical Manufacturing Co. and international firms with special emphasis on new policies with regard to patent rights.

The seminar stressed that Jordan, having very few restrictions on foreign exchange, and having definite advantages of profits fully remittable and tax holdings, is therefore a very sound investment area.

The importance of Jordan's membership in the Arab Common Market combined with its geographic position was stressed as a main reason why Jordan can easily export and distribute goods, Dr. Tieby added.

However, if Egypt and Algeria were to be removed from figures presented on market size, the new market would be 50 per cent of the total and thus by 1985 it would be \$1 billion instead of \$2 billion.

In conclusion Dr. Tieby said that it was brought to the attention of the seminar that the Arab Pharmaceutical Manufacturing Co. has been run by Jordanians since its inception and this pattern will continue especially with the highly skilled new generation.

Supporting the seminar's results Mr. Harry Ohanian representing Pfizer USA said: "Jordan is open to all sorts of possibilities and cooperation. Pfizer products could in principle, be manufactured in Jordan — since manpower is available."

He stressed: "Jordan's new generation is extremely promising, the technicians and technologists are highly skilled. Among Arab and non-Arab developing nations, Jordan stands out as unique with its wealth of manpower."

"This makes any future cooperation with Jordan very encouraging," Mr. Ohanian said.

He also expressed his thanks and admiration to His Royal Highness Crown Prince Hassan with whom he has been a schoolmate at Victoria College in Egypt.

On the other hand, Dr. Mortaza Kaveh, representing the Iranian Razi Institute, the State Institute for vaccine and serum production as well as for research in the field of biopathology, said that cooperation between the Razi Institute and the Ministry of Health in Jordan has existed since 1959.

Several Jordanians have received training at the Razi Institute while Iranian experts since 1964, have been working at serum laboratories in Jordan.

Following the recent visit of H.R.H. Crown Prince Hassan, to the Razi Institute in Iran, a new form of collaboration with the Jordanian Ministry of Health and Ministry of Agriculture will extend to the development in Jordan of "biologic production both for human and animal health."

Mr. A. Vincenti of Pierrel S.P.A.

Italy said that Pierrel has been cooperating with the Arab Pharmaceutical Manufacturing Co. by supplying them with raw materials like anti-biotics since the early years of their establishment.

Mr. Vincenti said that Dr. Tieby has visited their laboratories in Italy and that new forms of cooperation will depend on the request of Jordan.

He added that it would be difficult for Pierrel to manufacture products in Jordan for distribution to other Arab countries, since Pierrel has direct connections and supply with Arab countries. Furthermore, Pierrel is marketing products in Jordan.

The export manager of Rhone-Poulenc pharmaceutical products, Dr. Jean-Pierre Parmentier said that his company has a very wide range of products out of which Jordan can choose for an eventual collaboration.

However, Dr. Parmentier said that before Rhone-Poulenc exports to the Arab Pharmaceutical Manufacturing Co. any product against licence, it must review its commercial and sales policy in the Middle East in order to avoid conflict with any country.

He added that future cooperation may need detailed discussions. Mr. L.D.P. Bryceson of Evans Medical Ltd. in Britain said that cooperation with the Arab Pharmaceutical Manufacturing Co. goes back to 1965 when Jordanian personnel were trained in basic technique of pharmaceutical manufacture at Evans Medical.

Mr. Bryceson stressed that any further collaboration would go along the lines requested by the Arab Pharmaceutical Production Co.

In conclusion he said the seminar succeeded not only in presenting the outstanding performance of the Arab Pharmaceutical Manufacturing Co. in the last ten years, but also presented the investment climate of Jordan in a very good light — many delegates learnt a lot more about conditions in Jordan and the advantages of doing business in Jordan.

The only woman delegate at the Seminar, Dr. Aziza Al-Wahshi, the President of the Pharmaceutical Scientific Society in Tunisia, and the representative of the Tunisian company for the manufacture of pharmaceutical products, said that she wishes to see among Arab pharmaceutical societies, active cooperation which might eventually lead to an Arab unified pharmaceutical research system parallel to the existing European system.

## Students join working camps

AMMAN. — 3,500 students of both sexes Saturday enlisted in the three-week Al Husseln working camps and training centres organised by the Ministry of Education.

These are designed to teach various useful technical skills during the three-month summer holiday.

The students will be sent to 11 camps, one in each governorate and district, where they will help build playgrounds, open roads, do gardening, help in the maintenance of school buildings, besides receiving military training.

Some of them will be sent to vocational institutes, hospitals and banks, to get an idea of the work of these institutions.

## Syrian commercial delegation expected

AMMAN. — A Syrian commercial delegation headed by the President of the Syrian Chambers of Commerce Federation, Badrudine Al Shalah, arrives here Sunday for a short visit.

The 10-man delegation will meet with His Royal Highness Crown Prince Hassan, Minister of Industry and Commerce Dr. Rajal Muasher, and a number of Chamber of Commerce officials.

Talks will centre on fostering commercial and economic relations between the two countries. The delegation will also visit a number of industrial institutions and archeological sites.

## What's Going On

The American Centre: American Ballet Theatre.

"A Close-Up in Time." Three parts, (90) min.

Group of the J. F. Kennedy Centre for Performing Arts 7 p.m.

## Exchange Rates

Following are the official exchange rates at the close of the business day yesterday. The two figures denote buying and selling prices in Jordanian fils:

U.S. dollar:	333.0	335.0
U.K. sterling:	592.0	598.0
French franc:	70.4	70.7
Swiss franc:	135.3	135.7
German mark:	129.7	130.8
Iraqi dinar:	938.0	945.0
Syrian pound:	80.7	81.2
Egyptian pound:	468.0	474.0
Lebanese pound:	114.7	115.7
U.A.E. dirham:	83.8	84.2

## Viceroy receives ambassadors' credentials

AMMAN. — His Royal Highness Crown Prince Hassan, the Viceroy, Saturday noon received Baghdad Palace the credentials of two newly appointed ambassadors to Jordan Chile's new ambassador & Sudanese ambassador M. hammad Babakr Izzat.

The ceremony was attended by Chief of the Royal Hashemite Court Mudar Badran, the Chief Chamberlain Prince Raad Ibn Zaid and the Minister of State for Foreign Affairs Hassan Ibrahim.

## Free zone board ends meet

RAMTHA. — The board of administration of the Jordanian-Syrian industrial free zone Thursday ended its meetings here. The two sides to the talks studied and approved the plans drawn up by the zone's engineers relative to its construction.

A second meeting is to be held at the end of the month to complete the study of the remaining items entered on the board's agenda.

## German automatic bakery coming up

AMMAN. — An agreement to establish an automatic electric bakery was signed here Thursday between the Ministry of Supply and an unidentified West German firm.

The bakery will produce twelve tonnes of bread daily, & will cost JD 140,000.

The Minister of Supply, Salah Jum'ah, signed the agreement for Jordan.

## 25% of population attends school

AMMAN. — The total number of students registered as having attended school in 1976 has reached nearly half a million, it was outlined in a statistical bulletin made public Thursday by the Minister of Education.

Figures released show that 385,630 students attended government schools, distributed throughout the Kingdom as follows: Amman, 91,296; Madaba 13,377; Zerqa 63,765; Balqa 22,701; Irbid 85,833; Jerash 11,187; Mafraq 14,636; Kerak 22,884; Taffileh 6,836; Ma'an 11,812; Ajloun 12,856; various other localities 28,417. The number of students in private schools totalled 56,279, while those attending UNRWA schools totalled 59,826.

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## TENDER NO (16/76)

The Industrial, Commercial and Agricultural Co. Ltd., I.C.A. invites quotations for chemical raw materials required for its detergent, toilet soap and paints plants for 1977.

Terms, conditions and specifications of this tender are obtainable from the company's offices at Russeifa as from 28th June 1976. Closing date is Thursday 29th August 1976.

General Manager.

## Mysteries of Mars to be unravelled soon

CALIFORNIA Ju-  
A radio message  
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number of Sovi-  
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which they are  
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ase of three fru-  
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merchants told  
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at sounds good,"  
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nk, it was I who  
or him."  
at ease and I'm  
ng," he told the

evoked thoughts of blood and fire  
in ancient cultures, who identifi-  
ed it with war gods.

To help unravel the mystery,  
some 800 scientists and engine-  
ers have converged on the jet pro-  
pulsion laboratory in southern  
California and are tuning in on  
the two Viking spacecraft, launch-  
ed last summer.

The first, Viking I, has already  
completed its 11-month journey  
and is now orbiting Mars, relay-  
ing to excited technicians here  
the most vivid pictures from any  
planet.

The spacecraft is surveying its  
landing site, making sure the ter-  
rain is smooth: a hefty rock in  
the wrong place could tip the ve-  
hicle over.

The spot provisionally chosen  
is called Chryse, "Land of Gold."  
It is near the mouth of a huge  
canyon and marked by a network  
of channels that could be the re-  
mains of a river—and scientists  
say where there was water, there  
could be life.

On the day marking the 200th  
anniversary of American inde-  
pendence, the spider-like landing  
capsule will be detached from the  
mother ship and swoop down to  
the surface, slowed by parachute.

The lander bristles with gadgets,  
a pair of stereoscopic cameras,  
a mechanical nose to sniff and ex-  
amine the air, and a long arm with  
a claw to dig up soil samples.

It will be part of the camera's  
job to detect any larger forms of  
life. The earlier Mariner pictures  
could not even have picked up a  
herd of 10 million elephants lum-  
bering across the Martian plains.

But most attention will be fo-  
cused on the soil analysis. Is the  
Martian dirt home for some rudi-  
mentary microbe? Some unearthly  
plant?

On July 12, the robot-like arm  
will reach out, grab a handful of  
soil and deposit it into a box, ab-  
out the size of an overnight su-  
itcase, which is one of the most  
sophisticated pieces of scientific  
equipment ever designed.

This box-of-tricks will do com-  
plex biological tests for clues as  
to plant life and to find out whe-  
ther any organisms betray them-  
selves by giving off gases or bre-  
aking down simple organic com-  
pounds.

If the results indicate that there  
is something "alive" up there, a  
series of control tests will be per-  
formed to rule out the possibility  
that the equipment was not con-  
taminated by bugs from earth.

It will all be a far cry from the  
days when early astronomers  
"discovered" Mars was inhabited.  
They noticed changes in greyish  
patches on the planet and thought  
this was vegetation. They saw  
features on its surface which re-  
sembled canals as evidence of an  
advanced civilisation.

The myth of intelligent creatur-  
es on Mars had such a strong hold  
on popular imagination that when  
a radio programme about a Mar-  
tian invasion was broadcast to  
Americans in 1938, panic gripped  
the nation.

But all thoughts of life were  
squashed in the sixties by Mari-  
ner "fly-by" pictures which sh-  
owed a barren planet. In 1971,  
however, Mariner 9 shots showed  
a world of volcanoes, canyons,  
and, most intriguing, what appe-  
ared to be dried-up river beds.

So, what forms could life on  
Mars take?

If the organisms are anything  
like those on Earth, they like war-  
mth and moisture. But the Mar-  
tian nights are bitterly cold and  
much of the water is thought to  
be trapped below the surface as  
permafrost.

We would, then, be looking for  
bacteria or insect s which can sur-  
vive being frozen at night and  
thawed out during the day. Moss  
of fungus that can extract water  
from hydrated rocks are another  
possibility.

More exotic theories envisage  
worm-like creatures, sticking out  
above the surface, having access  
to the ice at one end, and belch-  
ing out waste products at the  
other.

One idea even sees creatures like  
giant sea-slugs, with an internal  
"metabolic engine" enabling them  
to heat themselves and get at the  
moisture. They would possibly be  
covered by a hard outer shell to  
ward off the ultraviolet rays.

Scientists are handicapped in  
arriving at sensible conclusions  
about extra-terrestrial life because  
the only model for how biology  
works is on earth—and it's all the  
same here.

Analyse any form of life on  
earth, be it man, rat, or tree, and  
it will turn out to consist of the  
same ingredients, basically hydro-  
gen, carbon, and nitrogen. Only  
the package is different.

If an organism from another  
planet is found to have a single  
constituent that differed, say sil-  
icon instead of carbon, it could  
mean that life there sprang from  
a totally different source, increas-  
ing the chances that the universe  
teems with life.

It would give us a new perspec-  
tive of how biology works, help-  
ing us cope with a mechanism we  
understand little. Nobody, for in-  
stance, knows why a healthy hu-  
man cell starts growing wildly in-  
to a cancerous tumour for no ap-  
parent reason.

If neither of the Viking ships  
find anything, it could mean they  
were looking in the wrong place.  
"We're like a drunk looking for a  
key under a light because that's  
the only place we can see," Dr.  
Gerald Soffen, the project's chief  
scientist told Reuter.

## "Sochi" Soviet resort welcomes King Hussein

The tour of His Majesty King  
Hussein and his party to differ-  
ent Soviet cities will be crown-  
ed by their stay by their stay in So-  
chi.

The King will be able not only  
to see the places of interest in the  
Soviet Union's largest health-bu-  
ilding centre, but rest for some  
time on the Black Sea coast of the  
Caucasus.

The city boasts of over 50 mo-  
dern sanatoria, dozens of board-  
inghouses, hotels, tourist centres  
and many young pioneer camps.  
On the staff of Sochi's health in-  
stitutions, including the research  
institute of balneology and phy-  
siatrics are 2,500 doctors. Sochi  
won its world fame thanks to the  
Matsesta Curative waters. Its un-  
ique hydro-sulphide springs (where  
resources are practically inexha-  
ustible), are used for the treatment  
of almost all diseases, except can-  
cer. The best results are achie-  
ved in the treatment of the cardi-  
ovascular and nervous systems  
and all kinds of joint ailments.

The resort is being developed  
and its facilities modernised. Fa-  
mily-type holiday-hotels to ca-  
ter to 7,000 people have been bu-  
ilt. Not far away is a children's  
amusement centre.



The circus in Sochi city.

The architect of the children's  
amusement centre, architect Zu-  
rab Zereteli, was awarded the  
Lenin Prize for 1976.

Holiday-makers like to visit the  
Sochi circus.

For three days the flag of the  
Hashemite Kingdom of Jordan  
will fly over the King's residence  
on the Black Sea coast. The city  
will be decorated with the state  
flags of the two friendly coun-  
tries and the streamers in the Ru-  
ssian and the Arab languages.

Sochi is waiting for the arrival of  
the distinguished guest and his  
party.



Fine Arts Museum — Sochi.



Sochi suburban.



National park — Sochi.



Leningrad Hotel — Sochi

# Anyone heading for New York, Boston, Chicago, Montreal or Toronto, would do well to fly by Swissair.

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## Canadian pilots' strike assumes political tone

MONTREAL, June 26 (AFP) — The sixth day of a pilots' strike that has virtually halted Canadian air traffic assumed a distinctly political tone today in the wake of Prime Minister Pierre Trudeau's warning that the conflict threatens national unity.

The strike, by Canada's English speaking pilots and air controllers, is in protest of mandatory use of French as well as English in air communication over Quebec province.

It has forced the country's principal airlines, including Air Canada, CP Air and Pacific Western Airlines, to lay-off some employees pending resolution of the dispute.

Air estimates the strike is costing it \$1.2 million daily in foregone revenues and is pressing its suit, with Air Canada, against the country's pilots' union, whose action was declared illegal last week by a federal court.

Meanwhile, air transportation is paralysed over the entire country except in Quebec, the focus of the conflict, where traffic has continued on a reduced basis since the strike began last Sunday.

Most foreign carriers, have continued service to Montreal, with the exception of eight U.S. companies out of ten, British Airways, Aerlingus, KLM, Quantas and SAS.

Warning of the danger of the use of French in air communications because it is not widely done, the striking pilots are demanding that bilingual messages from five small Quebec airports be halted.

The airports have been bilingual since 1974, part of the Canadian government's programme to pacify French-speaking Quebec separatist movements.

In his message to parliament

yesterday, Prime Minister Trudeau promised not to expand the number of bilingual airports in the Montreal area until a federal investigatory commission established that such airports pose no hazard to passengers.

But the Prime Minister said that bilingualism was the sole policy capable of safeguarding Canadian union which he said is threatened by the continuing strike.

He appealed to members of parliament to speak to the country on the issue and thanked the main opposition party for its commitment to bilingualism. Conservative Party leader Joe Clark has gone on television to ask the pilots to return to work.

Many observers believe that a rejection of bilingualism in the

## Madagascar nationalises 5 oil companies

TANANARIVE, June 26, (AFP) — Madagascar last night announced nationalisation of five western oil companies operating here.

The companies are Esso, Shell, Total, Caltex and Agip.

The announcement came in a nationwide speech by President Didier Ratsiraka marking Madagascar's national day, June 26.

Economy and Trade Minister Justin Rarivonson listed the companies affected in a broadcast this morning, explaining that the decision was a "logical follow-up" to previous nationalisations.

The oil companies and their 500 service stations on the island are to be run by a new Malagasy state corporation, solitary Malagasy. The five have a collective turnover in the region of \$150 million.

field of aviation would wreck the policy undertaken by Mr. Trudeau's Liberal Party since coming to power in 1968.

Mr. Trudeau told parliament that the issue has divided the country as no other has done since the Second World War.

In Montreal's French-language newspapers, editorialists agreed that the strike threatens the entire policy of bilingualism.

The Independent le Jour said the conflict demonstrates the "failure of bilingualism at the Canadian level," while the daily le Devoir expressed concern that the pilots seek to sabotage the very principle of bilingualism.

## World economy undergoes structural change

TOKYO, June 26 (AFP) — Japan should exert efforts to maintain and promote international trade order in the spirit of free trade, an annual government white paper on international trade said Friday.

The 1976 report, prepared by the International Trade and Industry Ministry and approved by the cabinet, noted that the world economy has begun to undergo a structural change, due to the emergence of economic and sometimes political problems — including the 1973 Arab oil boycott.

Those problems, also including developing nations' demand for the establishment of a new international economic order, have gone beyond the controls of the general agreement on tariffs and trade (GATT) and the International Monetary Fund (IMF), the paper said.

In order to stabilise and further develop the world economy under such circumstances, it is necessary "to secure steady expansion of

world trade" and "promote interdependence between industrially advanced nations and developing countries," the white paper emphasised.

The promotion of international trade is especially necessary as exports are the "main prime mover" for the recovery of the Japanese economy, which has finally set out to free itself from the drawn-out recession, the white paper said.

The document also suggested that Japan should change its trade structure fundamentally to enable it to export highly-processed sophisticated commodities with high "added value" — commodities, which are also less pollutant, as chemical products (pharmaceuticals, etc.), precision instruments, electronic and electric machinery and plant equipment.

Japan should also actively explore the possibility of setting industrial facilities for processing natural resources abroad to comply with resources rich nations'

requests for Japan's investments in their countries: the paper added.

On recent trends of international trade, the analytic report said that the 1975 trade act of the United States risked having an adverse effect on world trade, if it is operated in a self-centred manner. It also feared that moves by European Common market nations, some Mediterranean African countries and developing nations to form economic blocs would prove to be detrimental to steady expansion of international trade.

On the international monetary situation, the white paper said that the floating exchange system now adopted by nations was not a desirable system to promote international trade.

In order to stabilise exchange rates of currencies it is necessary for all nations properly to adjust their economic policies to ensure steady expansion of world trade, it added.



A NEW REFLECTION — The U.S. Capitol is mirrored in a new reflecting pool on the Mall in Washington. During the Bicentennial year, record numbers of tourists are expected to visit the magnificent structure where the Congress meets to enact laws.

## OECD warns developing countries of shortage in food aid

PARIS, June 26, (R). — Developing countries cannot feed themselves and will have to rely increasingly on food gifts from richer nations if present production trends continue, according to a new world food study issued today.

But the Organisation for Economic Cooperation and Development (OECD), which grounds 24 major western industrial nations, said in a report that food aid could not be a permanent of assistance.

Without it, however, countries like India, Bangladesh, Pakistan and the drought-hit Sahel countries in Africa would find it extremely difficult to meet their needs.

The report said poor countries were facing unmanageable food deficits as their national production levels failed to improve and nutritional problems worsened. Their food production between 1970 and 1975, for instance, was below the average for the 1960's.

The ultimate solution for food problems in poor countries could only come from increased production and the improvement of their economies, the report said. But this was bound to take time to achieve and the report endorsed the annual target of 10 million tonnes of food aid set by the 1974 world food conference.

The United States has been the largest single food donor in recent years, but its role was declining, with the European Common Market (EEC), Canada and smaller donors now playing greater parts, the report said.

The U.S. was still the main supplier in 1974 with 48 per cent of the total (compared with 94% in 1965), but the EEC's share had

risen to 29 per cent, Canada's nine per cent and others' to per cent.

## Israel may abandon underground oil storage

TEL AVIV, June 26, (R). — Israel may be forced to abandon plans for large scale storage of oil underground because of several experimental reservoir government officials said here today.

The officials told newsmen that the reservoirs dug out on hillsides in the Negev desert and at Galilee the leaking had been too much to warrant crude oil storage. But the officials said experiments were continuing, using different methods of insulation.

The United States gave Israel \$20 million for underground oil storage construction as partial compensation for withdrawing from the Abu Rudels oil fields in the Sinai last year.

Israel favours underground storage since the country's oil stocks would be better protected against enemy action, particularly by air, in case of renewed conflict in the region.

## U.S. \$6 b for foreign military aid approved

WASHINGTON, June 26 (AFP) — The U.S. Senate yesterday approved foreign military aid budget of \$6,000 million over 27 months. The bill, already approved by the House of Representatives now goes to President Gerald Ford to be signed into law.

## Partners in Development

# Mobilization of domestic resources and amelioration of inflationary pressures

### PART IV MEASURES AGAINST INFLATION

A look into the nature of inflationary pressures in Jordan reveals that they emanate from structural and monetary causes. Therefore, their successful elimination depends on the one hand on improving both the economic structure output and labour conditions generally and, on the other, on the success of fiscal and monetary conditions in absorbing excess liquidity in the system. The containment of inflationary pressures is not, by any means, a substitute for growth; it rather complements it. It is obvious that the continued rise in prices threatens growth and that efforts to combat inflation are imperative for the successful implementation of the Plan.

Measures for coping with inflation are of three types:

- 1) Conventional fiscal and monetary solutions.
- 2) Savings solutions aimed at enhancing savings and capital deepening.
- 3) Long-term structural solutions calling for a judicious growth policy as envisaged in the Five Year Plan.

The subsequent discussion of measures already adopted or proposed will concentrate on the first two types only.

#### 1. Monetary Policy

There are two analytical problems embedded in monetary policy: the ability of monetary authorities to dominate monetary variables, and the choice of the appropriate operational target. As for the first problem, it is well-known that monetary aggregates both affect and depend on economic activity such as government, expenditure, consumption and investment. This reciprocity adds to the problems of controlling monetary aggregates as a main cause of inflationary pressures.

As for the second problem, the choice in Jordan is confined to two targets: money supply and domestic credit, keeping in mind that the two are co-linear. To help solve this identification problem, monetary authorities believe that money supply is the better alternative if the main economic target is to adjust the external payments deficit. Domestic credit is the superior operational target if the main preoccupation of economic planners is growth. Since the latter goal is the concern of Jordan, domestic credit becomes the better indicator and target. Nevertheless, by controlling domestic credit, a major factor responsible for the increase in money supply would be abated. Since 1974, the Central

Bank of Jordan has been addressing itself to the control of domestic credit.

In mid-1974, the Central Bank of Jordan (CBJ) issued a memorandum to commercial banks with instructions not to increase the size of utilised credit by more than 5% over the latter six months of the year. However, CBJ allowed banks to exceed that limit in the case of credit extended to industrial, agricultural or public projects. In August 1974, CBJ raised legal reserves requirements from 10 to 12%.

In early 1975, CBJ issued a memorandum in which it limited the increase in total utilised credit during the first six months to 10% excluding credit extended to industrial, agricultural or public projects. In addition, CBJ limited the credit-to-deposit ratio to 80%. In the second half of 1975, CBJ reiterated its instructions with one major variation, namely that credit extended to industrial, agricultural and public credit may exceed the 10% limit by only 5%, thus imposing a ceiling on such credit.

These policies have aimed at achieving two objectives: limiting the growth in domestic credit and redistributing it in favour of the directly productive sectors. In order to evaluate the success of these measures one may assume that total credit should not have exceeded 15% over each half of 1975, or roughly 32% over the whole year. However, total credit increased from JD 84.0 million at the end of 1973 to JD 121.4 million at the end of 1974 and to JD 121.4 million at the end of 1975, or a 44.8% increase over and above the 32.0% target. Moreover, the share of industry and mining and agriculture of total credit dropped from 16.9% at the end of 1974 to 15.4% at the end of 1975.

It may be fair to say here that the credit market would probably have allowed for greater expansion and worse credit distribution had not CBJ imposed these limitations. However, it subsequently became abundantly clear that a more aggressive policy was in order. So, in early 1976, the following measures were relayed by CBJ to commercial banks.

Total extended credit was limited to a maximum of 10% over the first six months of 1976. However, banks were permitted to exceed this limit if credit was to be extended to industrial shareholding companies only.

The credit-deposit ratio was decreased to 75% with the possibility of trimming it further to 70%.

Banks were instructed to avoid

extending credit through overdrafts. To ensure some degree of compliance, CBJ increased legal reserve requirements on overdraft deposits to 15%.

For the first time in Jordan's history, CBJ interfered in the interest rate by stipulating a minimum of 5-5½% on savings & time deposits and a 7½% minimum prime rate on commercial loans.

These measures were taken in the spirit of the monetary Five Year Plan, which called for increasing the ratio of deposits to currency, adjusting the interest structure and increasing the rates on time and savings deposits, which ranged between 2½% and 4%.

It should be noted here that the necessary infrastructure needed for the transmission of monetary policy is still lacking. Despite such limitation, monetary authorities in Jordan could attempt to control inflation by taking the following steps:

Raising both depositing and lending rates in order to augment savings and curb demand for credit. Current interest rates are low, especially when viewed against the rise in the level of prices. The need also calls for repealing the "Ottoman Usury Ordinance" which puts a ceiling of 9% on rates of interest.

Adopting more aggressive policies in order to redistribute domestic credit to directly productive projects. However, commercial banks can respond only up to a limit, because their main credit activity is confined to short-term credit. Thus the need calls for supporting specialised credit institutions and improving their level of performance.

Finalising the procedures leading to the setting up of the financial market, although its utility as a stabilising medium may take some time to reach full fruition because it may lack depth, width and resiliency. However, the International Financial Corporation (IFC) has contributed to the establishment of successful financial markets in relatively small countries like Tunisia, Lebanon, Venezuela and Korea. It is not expected that such a market will, once established, perform the same functions as those in advanced countries; but it may prove to be instrumental in mobilising savings, deepening capital and over-riding the problem of fragmentation. It may be noted that the Council of Ministers has already approved the draft law of the "Amman Financial Market" which is awaiting implementation in the forthcoming year.

Establishing new savings investment institutions, whose main task will be to attract untapped excess funds and channel them towards investments which fall within the general planning framework. Below is a brief description of three such institutions:

- (i) Fund for Attracting the Savings of Expatriates: The total number of Jordanian expatriates is estimated to range between 200 and 250 thousand, and their annual earnings may range between JD 2,000 and JD 3,000 million. The size of remittances through the banking system or otherwise ranges between JD 100 and 150 million per annum. Most of these remittances gravitate towards land speculation or ownership of dwellings. It is believed that a special investment fund set up for the purpose of tapping these funds and ensuring handsome returns may be highly feasible. However the extent of success hinges upon the ability to identify investment opportunities. Without this pre-requisite, such a fund could fail to achieve its purpose, and transfers would continue to flow into land.
- (ii) Social Security Fund: Most private industrial and share-holding companies as well as semi-government institutions have severance payment funds. The total holdings of these funds are large enough, but in their current scattered form they are of negligible use as far as investment is concerned. All of these small funds can be pooled together into one large self-liquidating fund which would utilise its resources in rewarding and productive investments. If successful, the fund would achieve a double purpose: it would alleviate the burden of end-of-service compensations shouldered by individual institutions, and it would contribute to the success of over-all planning.
- (iii) Pension Fund: Government pensions are becoming more onerous every year. To help ameliorate the situation, a Pension Fund was established in 1976 with a capital of approximately JD 16.0 million. Over JD 15.0 million have come from the CBJ, which revalued its gold holdings from \$42.2 per ounce to \$100. The Fund is expected to utilise its capital funds in profitable and productive ventures in order to be able to finance pension payments.

city. So far, fiscal policy has not concretely participated in the stabilisation effort. Rather, the upward movement in government expenditures necessitates domestic borrowing, which has had a direct impact on inflationary tendencies. Stabilisation possibilities on the expenditure side are limited, and the most that can be done is to eliminate certain expenditures like pension payments, decrease subsidies or price supports for certain staple and vital consumer times, and rearrange expenditure priorities.

The crux of fiscal stabilisation action lies on the revenue side through increasing reliance on domestic resources, which constitute only 40 to 50% of total revenues. By increasing domestic revenues, part of the excess liquidity will be siphoned off and a better income distribution might prevail.

Both the Seven Year Programme (1964-70) and the Three Year Plan (1973-75) contained dispersed fiscal policy recommendations which did not rank up to a comprehensive scheme. Nevertheless, both plans specifically recommended the stipulation of a capital gains tax and an inheritance tax. A temporary capital gains tax was approved by the executive branch in 1973, but the Parliament rejected it and it was subsequently shelved.

Unlike its two predecessors, the current Five Year Plan contains a comprehensive fiscal programme, whose main objectives are the following:

- (a) Increase central government domestic revenues by 16.5% annually over the Plan period, with special emphasis on direct taxes and investment revenues.
- (b) Increase local government revenues by 17% annually over the Plan period and confine the annual increase in current expenditures to 7%.
- (c) Decrease the rate of annual increase in recurring central government expenditures to 7.6% and rechannel more funds towards the development and growth of economic bodies.
- (d) Increase capital expenditures by 40% annually.
- (e) Issue government securities of up to JD75 million during the Plan period.

In order to achieve the targets cited above, the following procedures are proposed:

- (a) Improve the method of tax and fees collection.
- (b) Adopt more advanced customs and tariff legislation.
- (c) Revise charges on some gov-

## Jordan's Five-Year Plan

ernment services and improve these services.

- (d) Impose a capital gains tax on land and real estate.
- (e) Re-assess the rental value of mortgages within municipal boundaries for property-tax purposes.
- (f) Revise the Law of Rents towards a more equitable direction.

These proposals tend to cover most of the trouble spots in fiscal performance. It is clear that a tax on unutilised space within the Amman Municipality has now become a necessary anti-inflationary measure. Although the Income Tax Bureau revised its Law in a more equitable manner in 1976, necessary steps aimed at improving collection and narrowing loopholes are still in order. Moreover, the need is still there to widen the tax base and revise the taxes of those already included, particularly income earners who benefited most from inflation like contractors, middlemen and professionals. Should these measures be adopted, the automatic stabilisation bias inherent in direct taxes would become operative.

The government can also help shrink the budget deficit by decreasing the amounts it allocates for price support of certain major staple and fuel items. In April 1976, the government took a positive step in that direction when it raised the prices of refined oil products. Moreover, the overall fees structure needs to be revised provided an improvement in the quality is made.

#### (3) Domestic Public Debt:

The Public Debt Law was first issued in 1966 and was later amended by the 1971 Law. In 1969, the government started issuing treasury bills of three-months maturity and 5½% interest. In 1971, bonds of five and more years maturity were issued at 6½—8% rates. The amounts which commercial banks could purchase were subject to various quantity and price restrictions.

The Five Year Plan has recommended the issuance of JD 75.0 million worth of bonds over the Plan period. In order to minimise the inflationary impact of these bonds, the following points must be observed:

- (a) In principle, the issuance of public debt bonds to finance government expenditures must be looked upon as a "final resort", not as a routine or legitimate right.
- (b) The bonds market should be expanded so as to include middle and low-income groups who would not find that returns on their small savings

are higher than bonds.

- (c) Debentures should be marketed outside Jordan, particularly to Jordanians working abroad.
- (d) A further limitation should be imposed on the amount that commercial banks are permitted to acquire, together with restricting the ability of commercial banks to expend their credit through their holdings of public debt.
- (e) Semi-government income-earning institutions should be encouraged to float bonds. The Telecommunications Corporation did issue special bonds in early 1976.
- (f) The size of the public debt must be kept within a manageable size to be determined by the use of appropriate objective indicators.

#### CONCLUSION

This paper has attempted to make the following points:

1. Economic growth and stability are like Siamese twins. The efforts of fiscal and monetary action must embrace both goals.
2. The mobilisation of domestic resources can be achieved by:
  - (a) Widening the income tax base and improving collection methods.
  - (b) Imposing new taxes on unutilised land spaces.
  - (c) Revising fees and charges on government services and improving the quality of these services.
  - (d) Establishing new savings investment funds like the Pensions Fund, Social Security Fund and a fund for investing expatriate earnings.
  - (e) Regulating the internal public debt.
3. If these recommendations are successfully implemented, Jordan's ability to self-finance domestic, developmental projects will be enhanced, and its reliance on foreign resources will diminish.

It must be emphasised that monetary policy alone cannot achieve economic stability. However, in cooperation with fiscal policy, that aim can be realised. Both policies are interdependent and, in union, they can be utilised to squeeze recurring government expenditures to the lowest possible level. Fiscal policy must exert a greater effort to rearrange development projects within a more feasible priority scale, in addition to raising the amounts accruing from domestic resources. Monetary policy, on the other hand, must use every effort to contain domestic credit provided that such contraction does not frustrate the thrust of developmental efforts.



# Asian rarities reveal splendour of Asian Islamic world

Islam Festival, currently taking place in London, exhibitions at the British Museum, one on the Holy writings from the Muslim Courts of India between

period when the Mughal dynasty was strongest in the sultanate kingdoms of Bijapur, Golconda and Ahmednagar in the south, which is known as the Deccan.

At the end of the 15th century a descendant of the King Timur and of Genghis Khan named Zahir-ud-din Babar was turned out of his father's small kingdom

a series of Buddhist caves in western India.

Before Muslim invaders brought paper with them in the 13th century Indian illustrated manuscripts were made on palm leaves held together with wooden covers and fine ties. The Islamic contribution to the art of the book in India made possible an explosion of calligraphy, illumination and painting in styles which combined Muslim and Indian genius.

At the end of the 15th century a descendant of the King Timur and of Genghis Khan named Zahir-ud-din Babar was turned out of his father's small kingdom

of Ferghana in central Asian Turkestan and set himself the goal of conquering Hindustan to the south as Timur had before him. In 1526 he defeated Ibrahim Lodi who ruled at Agra, south of Delhi, and achieved his dream.

Babar was a cultured adventurer who prized the written word and had a library of his own.

He passed on this love for books to his descendants, including his son Humayun whose misfortune in losing the territory established by Babar enabled him to spend a few years in exile, at the court of Shah Tahmasp where Safavi



World of Islam Festival  
London April-June 1976

painting was at its shimmering best.

Humayun was most impressed by the work produced in Shah Tahmasp's atelier and was able to persuade several artists to accompany him when he returned to India. There the Persian masters set up a studio where Muslim and Hindu artists worked together, marrying the indigenous style with classical Safavi training to produce the new distinct school of Mughal painting.

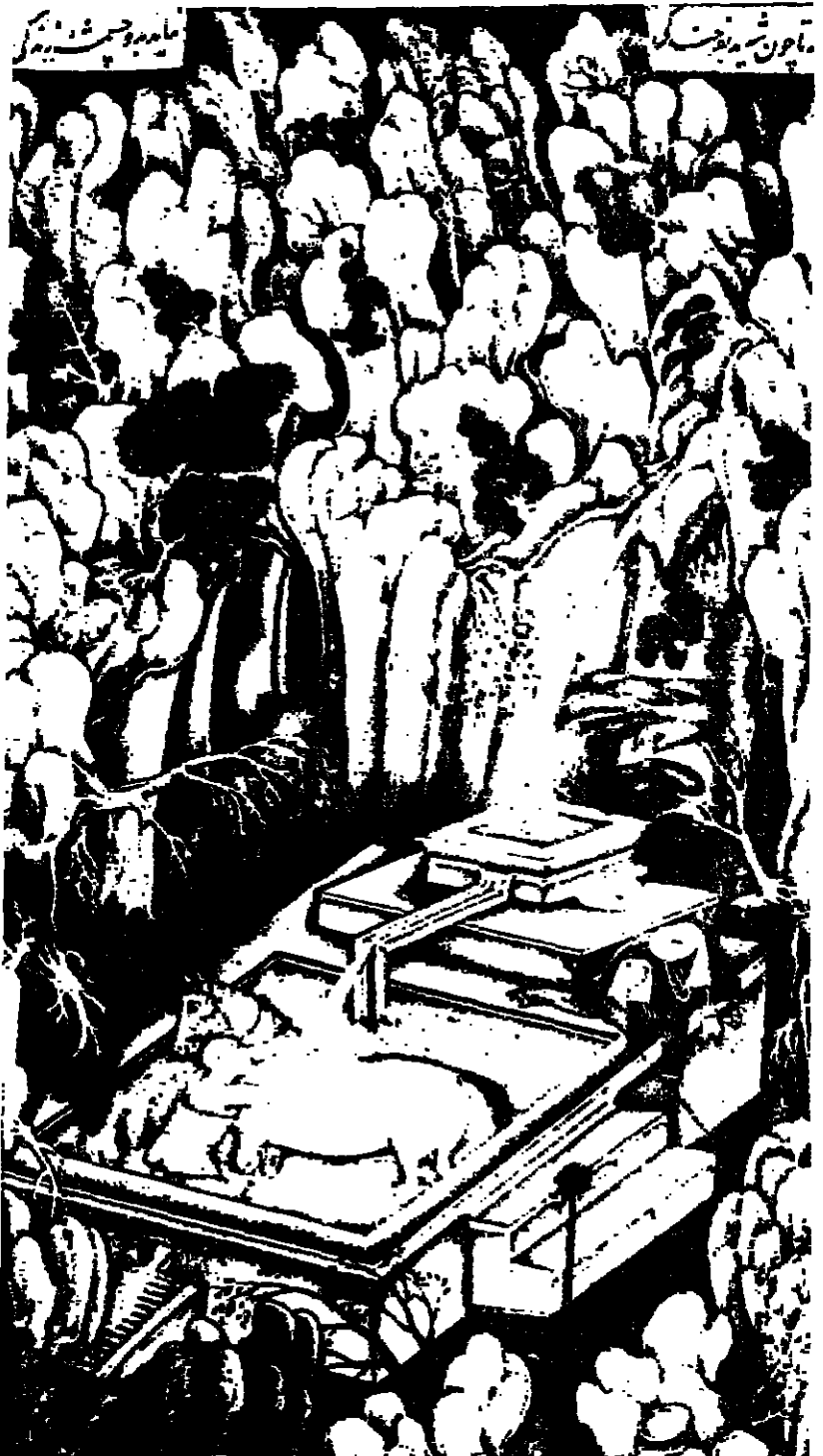
The exhibition follows the development of the style from its inception at Humayun's return to India to its height at the end of Shah Jahan's reign in 1658. Shah Jahan's son banned painting as he turned towards greater religious orthodoxy.

**Persian Classics**  
Akbar's reign lasted from 1556 to 1605, a period of political and intellectual expansion. He was a dynamic man whose interests ranged across many topics including religion, philosophy and literature as well as painting. His library included Persian classics such as the Shahnama and the Khamasa of Nizami illustrated in Herat and Tabriz, and when he died contained 20,000 books.

The first work he ordered from his artists was a huge copy of the Dastan-i Amir Hamza (The Adventures of Amir Hamza) which, when completed, comprised 12 volumes of 1400 paintings which each measure about 70 by 50 centimetres. There are 14 of these pictures in the exhibition, showing Amir Hamza on his various adventures meeting giants, fairies and dragons.

When the Hamzanama, as it is commonly known, was completed in 1582, the artists went on to illustrate other storybooks such as the Anwar-i-Suhayli and the Turinama, both collections of classical tales & fables about people & animals. Akbar ordered Persian translations of the Hindu epic poems for which exciting and lively paintings were made by the Indian artists.

The other outstanding miniatures fall into two categories: illustrations to historical manuscripts and illustrations to literary manuscripts.



A painting of Alexander's horse being given a bath in the Fountain of Life, from a copy of Khamasa of Nizami, dated 1584, from the British Library.

The exhibition has a wide selection from both types, including paintings from Akbar's copy of the history of his own reign, the Akbarnama, painted in about 1590.

We see the emperor riding a mad elephant, hunting tigers, waging great battles, rejoicing at the birth of his first son. The other historical manuscripts from Akbar's reign in the exhibition are about Genghis Khan and Babar, two of his ancestors whose exploits provided unending opportunities to the artists for vigorous paintings.

**Exquisite Miniatures**  
The literary manuscripts are illustrated in a more elegant and refined manner on a smaller scale for more personal enjoyment. The Baharistan of Jami, a Divan of Anwar-i, a Khamasa of Nizami, a Shahnama and a Divan of Shahi glow with exquisite miniatures set in fine calligraphy.

The other Akbar period paintings include portraits of some of the noblemen, illustrations to a "Life of Christ," written in Persian by a Jesuit priest who came to the court of the Great Mughal, and the first of the natural history studies which became 1 of the hallmarks of Mughal painting under Akbar's son Jahangir.

When Akbar died in 1605 the demands on the artists changed as Jahangir's tastes were different from his father's.

Jahangir preferred more esoteric pictures, such as illustrations

of his dreams, as well as very realistic paintings of peculiar birds and animals and plants, portraits of his sons, records of the important events at court and fine specimens of illuminated calligraphy.

**Full Flowering**  
Shah Jahan's reign began in 1628 when the style & taste changed yet again, this time towards more elegance and eloquence, as the final assimilation of Persian, European and "Indian" elements resulted in full flowering of the Mughal style.

This period during the Mughal dynasty is the time when the Taj Mahal, of which everyone has heard, was being constructed at Shah Jahan's wish. There are paintings in the exhibition of Mumtaz, the famous lady who was the emperor's wife, but we can see other members of the family including her sons, also the Padishahama which is the history of the reign, and pages of illuminated calligraphy with fine floral borders.

Of the 200 items in the exhibition a small proportion are from the Deccan but they include illustrated and illuminated manuscripts, portraits, durbar scenes and natural history studies. The Deccani kingdom was in contact with the Mughal court during the hundred years covered by the exhibition, providing an interplay of style and ideas. However, paintings from the north and south remain distinctly different schools.



Illustration from the British Library copy of Waqiat-i Humayun at the celebrations for Id in 1526 at Agra.



One of the illustrations which will be on show at the exhibition. Paintings from the Muslim Courts of India at the British Museum. This is from the Waqiat-i Babari, completed in about 1590 in Lahore.

## It's TV Features

**SHIRLEY'S WORLD**  
THE ISLANDERS  
and a battle of rum — except that the rum is when Shirley gets into a buccaneering spirit land.

— \* — \* — \* — \* —

**KOJAC**  
DEADLY INNOCENCE  
detect his youngest son from his eldest one who and threatens life of all the family.

— \* — \* — \* — \* —

**DOCUMENTARY**  
ARE WAITING, SO ARE THE FISH  
rich is shown on how to increase the fish the ever increasing demand on food.

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### Television

Channel 6 :	Channel 6 :
7:30 News in Hebrew	7:30 News in Hebrew
7:45 Varieties	7:45 Varieties
8:30 Shirley's world	8:30 Shirley's world
9:00 Man and machine	9:00 Man and machine
9:15 Documentary	9:15 Documentary
10:00 News in English	10:00 News in English
10:15 Kojac	10:15 Kojac
	(On both channels)

### Amman Airport

Arrivals :	Arrivals :
8.40 Kuwait	8.40 Kuwait
9.20 Dubai, Abu Dhabi	9.20 Dubai, Abu Dhabi
9.30 Aqaba	9.30 Aqaba
10.30 Kuwait (KAC)	10.30 Kuwait (KAC)
11.30 Cairo (EA)	11.30 Cairo (EA)
12.20 Deer Azour, Damascus (SA)	12.20 Deer Azour, Damascus (SA)
14.35 Dubai, Doha (GA)	14.35 Dubai, Doha (GA)
15.05 Aqaba (SA)	15.05 Aqaba (SA)
16.20 Riyadh (SAA)	16.20 Riyadh (SAA)
17.30 Cairo	17.30 Cairo
17.40 Paris	17.40 Paris
18.20 Copenhagen, Frankfurt	18.20 Copenhagen, Frankfurt
18.55 Amsterdam, Brussels, Geneva	18.55 Amsterdam, Brussels, Geneva
19.00 Rome	19.00 Rome
19.00 London	19.00 London

### Radio

(On 885 KHZ) :

7.00 Breakfast show	7.00 Breakfast show
7.30 News Bulletin	7.30 News Bulletin
7.45 News Reports	7.45 News Reports
8.00 Sign off	8.00 Sign off
12.00 Pop session (part I)	12.00 Pop session (part I)
13.00 News Summary	13.00 News Summary
13.03 Pop session (part II)	13.03 Pop session (part II)
14.00 News Bulletin	14.00 News Bulletin
14.10 Radio magazine	14.10 Radio magazine
14.30 Pop music (USA)	14.30 Pop music (USA)
15.00 Concert hour	15.00 Concert hour
16.00 Old favourites	16.00 Old favourites
16.30 Easy listening	16.30 Easy listening
17.00 Pop session (part III)	17.00 Pop session (part III)
18.00 News Summary	18.00 News Summary
18.05 Listener's choice	18.05 Listener's choice
19.00 News Bulletin	19.00 News Bulletin
19.10 News reports	19.10 News reports
19.30 Sign off	19.30 Sign off

### Market Prices

Peas : 120—150	String beans : 140—180
Spinach : 40—55	Water melon (large) : 80
Water melon (small) : 40	Tangerines : 80—120
Tomatoes : 80—130	Wild cucumber : 40—55

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Khayyam : (41541)  
Hamra : (44833)  
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- Conciliate
- Peak, Italian
- Jury lists
- Allied by nature
- Introductory statement
- Stretch of a relay race
- That girl's
- Chinese pagoda
- Offspring
- Adhered
- Youth
- Rodent-like mammals
- Church singers
- Self-juminous body
- West Point dances
- Mixed suffix
- Firmly tied
- Esperanto
- Gratify
- Single entity
- Entreat again
- Strike out
- Roadside restaurant
- Swedish coins

**DOWN**

- Individual
- Affix
- Rest
- Numbers
- Ship-shaped
- Click beetle
- Climb
- American engineer
- Listen
- Dormouse genus
- Suspend
- Stalk
- Stylish
- Distinction
- Expanded
- Relative
- Parasitic disease
- Vessel
- Roman official
- Is overland
- Seedless plant
- Dyedwood tree
- Salad plant

For time 30 min. AP Newsfeatures 6-28



## Rhodesia threatens "hot pursuit" into Mozambique

**SALISBURY, Rhodesia, June 26, (AFP)** — Rhodesia would defend its borders against any Mozambique "aggression," Defence Minister Piet Van Der Byl told reporters at Chipinga in the south eastern border area Friday.

"If Frelimo fire, in effect, then we shall retaliate," the minister said.

"If our posts on the border are attacked, we will defend ourselves and we will always reserve the right of availing ourselves of the doctrine of hot pursuit," Mr. Van Der Byl said.

The minister spoke to journalists after attending a public meeting of 250 whites in the sensitive border area where coffee plantations and Rhodesian troop positions were recently subjected to rocket and motor bombardment by the Mozambique Liberation Front, Frelimo.

In three separate incidents, Frelimo fired mortars and 122-mm rockets at the Rhodesians, who has orders not to fire back except in self-defence for fear of causing an international incident.

## Judge Carswell is arrested in Florida

**TALLAHASSEE, Florida, June 26 (AFP)** — Judge Harold Carswell, who was named to the Supreme Court in 1970 by President Richard Nixon but whose appointment was turned down by the Senate, was arrested here last night by the city police squad and charged with assault.

He was arrested outside a public toilet, but police refused to give details of the arrest. It was understood a fight broke out in which Judge Carswell was injured. He was taken to hospital.

The Senate based its refusal to confirm Judge Carswell's nomination to the Supreme Court on the grounds that he was "mediocre" and favoured racial discrimination. He later ran as Republican candidate for the Senate, but was beaten.

## Morbid pattern of left-right fighting resumes in Beirut

(Continued from page 1) principles of American democracy to resolve the Lebanese crisis and who will manifest his intention of putting an end to the massacre perpetrated in Lebanon against civilisation and humanity."

In Baghdad, Iraqi President Ahmed Hassan Bakr criticised "foreign interference in Lebanon under any pretext," and said all available means should be used to apply Arab League decisions to send an Arab emergency peace-keeping force into Lebanon and to foil what he called imperialist plans and plots aimed at the partition of Lebanon.

Mr. Bakr also accused Lebanese rightwing forces of hindering Arab League decisions and provoking new bloodshed.

In Kuwait, Kuwaiti Foreign Minister Sheikh Sabah Al Ahmed said that he and his Saudi counterpart Prince Saud Al Feisal will begin contacts with other Arab states shortly on setting up a conference of "reconciliation and dialogue" on Lebanon, but he discounted any visit in the near future to Lebanon.

In Cairo, PLO leader Yasser Arafat met today with Egyptian Foreign Minister Ismail Fahmi to discuss the Lebanese situation, Cairo Radio reported.

Besides the 90-minute meeting with Mr. Fahmi, the Palestinian leader also met with Egyptian Vice President Husni Mubarak.

Agence France Presse correspondents

## OAU ministers call for "armed struggle"

(Continued from page 1) on a Libyan proposal for an amendment of the United Nations charter concerning the veto power in the Security Council, following this week's U.S. veto of Angola's application for admission to the U.N.

Any decision here on the veto would be submitted to an OAU summit which will follow the OAU

reign ministers' meeting at the end of next week, and possibly to the non-aligned summit in Sri Lanka in August.

In other developments today, Mauritius decided to allow a delegation from the Polisario Sahara liberation movement to lobby the OAU. Earlier this week they were not allowed into Mauritius.

## 1 white, 9 blacks killed in Rhodesia

**SALISBURY, June 26 (R)** — A white non-commissioned officer in the Rhodesian security forces and nine more guerrillas have been killed in clashes in the country's operational areas, security force headquarters announced here today.

Warrant officer Jan Andries Nel 30, who died in action, was married with two children, a communicable said. No further details of his death were given.

The communiqué said that since the last announcement on Wednesday, nine guerrillas and a black woman "running with them," had been killed during engagements with Rhodesian forces, and quantities of arms and ammunition had been seized.

Two African men and a woman had been murdered in "further acts of brutality" by guerrillas, and two black civilians had been killed and a number of others injured in a landmine explosion, the communiqué said. Further incidents of unprovoked firing from Mozambique had occurred at Penhalonga, near the Rhodesian eastern border centre of Umtali, and at Vila Salazar in the extreme south-east of the country, it said.

Today's communiqué brings to 49 the number of security forces killed this year, while 375 guerrillas have met their deaths in the same period.

ponent Xavier Baron reports from Beirut that it is now easier to find a case of ammunition than a litre of water.

Six hundred thousand people are wailing under the searing sun without electricity, water, fuel, fresh food or telephones.

High tension lines were destroyed in the offensive launched Tuesday by rightists against the two Palestinian camps — one of them inhabited mainly by Christians and lack of electricity has stopped the city's water pumps.

The price of bottled mineral water rocketed upward. Bottles are practically impossible to find at any price now.

With the temperature at 35 degrees centigrade, lack of water is more unbearable than the bombardments.

Petrol is as scarce as water in western Beirut. In the rightist eastern part, its price has doubled on the black market.

Every morning, motorists who have driven north from the refinery at Sidon hawk a few jerry cans of petrol in the streets.

Heaps of garbage incubating under the sun have hatched clouds of flies that swarm in food stores and stifling flats.

The stench is nauseating in places. Rotting bodies have lain for weeks in dangerous spots.

The breakdown of sanitation services and transportation add to the grave danger of epidemics this summer.



**JIMMY MAKES A CATCH** — Jimmy Carter takes a large bass out of a net in his hometown of Plains, Georgia, Friday as the Carter family drained a small pond and netted fish for an upcoming town fish fry. (AP wirephoto).

## Saudi air official to visit France

**PARIS, June 26 (AFP)** — Prince Turki Ibn Abdul Aziz, Saudi Arabian Vice-Minister of Defence and Aviation, will visit France from June 28 to July 3.

He will be greeted on arrival Monday by General Marcel Bigeard, secretary of state for defence who will give a dinner in the prince's honour in the evening.

On Tuesday the prince will go to Bordeaux with General Bigeard to watch manoeuvres by the 11th Paratroop Division, a special elite intervention force. In the evening the Prince will give a dinner in the general's honour.

On Wednesday, the Prince will visit the Dassault aviation firm which manufactures Mirage jet fighters. He will be the lunch guest of honour afterwards of French Defence Minister Yves Bourges.

In the afternoon he will visit the National Aerospace Industry Society (SNIAS) at Chatillon to see the missile section.

## Ford hits political note at start of Puerto Rico economic summit

(Continued from page 1) the post-recession period while keeping the lid on inflation.

No major announcements of dramatic policy initiatives were expected at the end of the meeting on Monday.

The choice of Puerto Rico, a U.S. commonwealth struggling with inflation and severe unemployment, as the site for the meeting, gave President Ford an opportunity to tell Cuba it must not interfere in the island's internal affairs.

Thus, he immediately injected a political note into an economic meeting which some of his critics claimed he had called to help him in his battle with Ronald Reagan for the Republican presidential nomination.

White House officials said the president, who has been accused by Mr. Reagan of being soft towards U.S. adversaries, had Cuba in mind when he spoke on his arrival about "those who seek to distort the facts, to mislead others about our relations with Puerto Rico."

Cuba has been leading a drive in the United Nations to back Puerto Rican nationalist movements seeking independence from the United States.

The president said he would regard interference in Puerto Rico as an unfriendly act to be resisted by appropriate means.

The seven world leaders faced the dilemma of whether they should step harder on the economic accelerator or the brake in efforts to reduce unemployment and control inflation.

The agenda includes the world economic outlook, financial and monetary issues, international trade, foreign investment and multinational corporations.

Other problems on the agenda are relations between rich and poor countries, East-West economic relations, and whether more international machinery should be created to cope with world economic problems.

President Ford made a wrong turn on the red carpet today as he arrived for the economic summit.

After standing to attention while the Puerto Rican and U.S. national anthems were played, Mr. Ford evidently confused the direction in which he was facing.

He walked back along the red carpet which had been laid out for his welcome, as though he were about to reboard his plane.

As he approached the plane's steps, a Puerto Rican military aide stepped forward and gently guided the president toward a rostrum, where he made a brief arrival speech.

## Greek, Turkish confrontation poses serious problems to NATO defence

**ISTANBUL, June 26, (Reuters)** — One of the world's great battlefields, soaked with the blood of a hundred thousand soldiers has taken on a new and dangerous significance for the western military alliance.

It is Thrace, the crossroads between Europe and Asia and one of the busiest battlegrounds in world history.

Its defences have been radically weakened because of the dispute between Greece and Turkey—nominally two allies within the NATO defence organisation—over Cyprus and rights over the Aegean Sea.

Instead of the armies of the two countries which share Thrace standing shoulder to shoulder along the Bulgarian border, many of their units face each other over the 160 kilometre Greek-Turkish border running from Bulgaria to the Aegean.

The situation is seriously worrying defence planners and strategists in NATO's national capitals as well as at alliance headquarters in Brussels.

"Each side is more worried about the other than either is worried about the Russians, Bulgarians and the rest of the Warsaw Pact," said one unhappy strategist in Brussels.

The problem is compounded by the fact that Greece is seeking a new, more limited, relationship with the alliance because of its failure to prevent the Turkish invasion of Cyprus two years ago.

Fundamentally Athens, which has already ceased full military cooperation with NATO, wants Greek armed forces to be removed from the alliance's integrated military command structure during times of peace.

But it wants an automatic triggering device to be created which would send them back to the alliance in the event of war, thus

At the same time the Soviet Union and Bulgaria would launch its amphibious forces — the two countries have some 5,000 in the Black Sea area — and several divisions of airborne troops on the way to the Bosphorus to hold the fort until the regular land forces arrived.

Turkish planners — the Turkish first army headquartered here is responsible for the defence of Turkish Thrace and the Bosphorus — say frankly they expect little help from the Greeks in stemming any Warsaw Pact punch towards Istanbul.

This is because the Greeks, by fighting in their part of Thrace and Macedonia, would leave themselves open to being cut off by a thrust behind them by the Bulgarians.

Instead the Greeks are expected to fight any war on what they call their Olympus line, which connects mount Olympus on the eastern coast of central Greece with the southern most border of Albania.

In this way they could protect the Greek heartland and deal better with any military activity from communist Albania and Yugoslavia.

The Turks are loath to give details of the size of their first army but other sources said it probably numbers between 160,000 and

providing Greece with the full protection of the 15-nation defence organisation.

This arrangement, which has yet to be worked out by the Greek and NATO negotiators, would make it difficult if not impossible for NATO's European Commander, General Alexander Haig of the U.S. army, to plan how to use Greek forces in an east-west war.

For its part Turkey is angry with the United States, central pillar of NATO, because of a U.S. Congressional embargo on American arms deliveries to Turkey, imposed more than a year ago because the Turks used American arms in their invasion of Cyprus.

Although the embargo has been partially lifted and the Ford administration has agreed to give \$1,000 million worth of military aid to Ankara — a move which has yet to be approved by the Congress — Turkish leaders here say relations between their country and the U.S. can never be the same again.

The sorry state of NATO's southern flank is especially unfortunate because alliance strategists expect the Warsaw Pact in the event of war to come boiling out of Bulgaria across Thrace to try and take the Bosphorus and thus let the big Russian Black Sea fleet break out to the Mediterranean.

The alliance expects the Russians to throw at least 18 Soviet divisions with 3,300 tanks as well as 800 tactical aircraft against the Turkish third army defending eastern Turkey to keep reinforcements from reaching the first army.

To match the Warsaw Pact Turkey has an army of about 375,000 men made up of 15 divisions and 13 specialist brigades, and 1,500 tanks. The air force has about 300 combat aircraft. Turkey says it can bring the army up to four million in event of war.

Greece has an army of 125,000, made up of 12 divisions and 14 brigades, about 850 tanks and an air force of 250 combat aircraft.

DOHA, June 26, (R) — Central bankers from five Gulf Arab states were meeting in the Qatari capital today to discuss ways of unifying their currencies, officials said here today.

The bankers, from Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates, met the Qatari minister of finance and oil, Sheikh Abdul Aziz Ibn Khalifa Al Thani, in the morning before starting their two-day conference.

The conference is one of a series aimed at increasing financial co-ordination between the five states.

## Salah Nasr sentenced to 10 years' hard labour

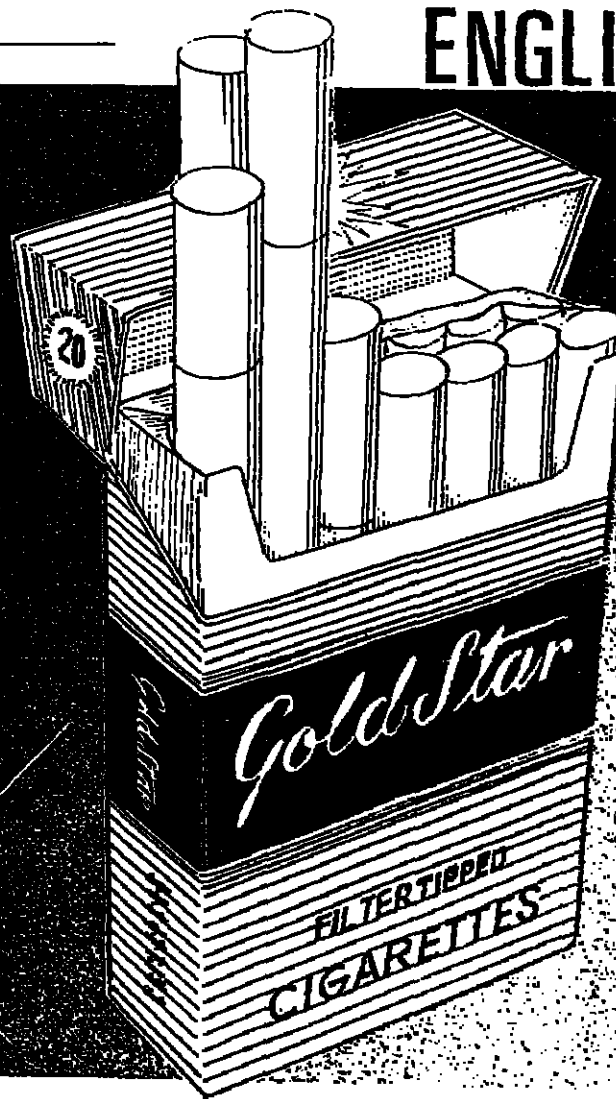
**CAIRO, June 26 (AFP)** — A former chief of the Egyptian secret service was today sentenced to 10 years' hard labour for torture in 1965.

Salah Nasr was found guilty of extracting a confession by torture from Mustapha Amin, founder of the Al Akhbar newspaper group.

Mr. Amin was sentenced to nine years' imprisonment after confessing he had links with the U.S. Central Intelligence Agency (CIA). He was released from prison in 1974 by President Anwar Sadat.

Two colleagues of Nasr were found not guilty.

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